

Adopted	Rejected
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COMMITTEE REPORT

YES:	24
NO:	0

MR. SPEAKER:

Your Committee on Ways and Means, to which was referred Senate Bill 344,
has had the same under consideration and begs leave to report the same back to the House with
the recommendation that said bill **be amended** as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 taxation.
- 4 Page 1, delete lines 1 through 18.
- 5 Page 2, delete lines 1 through 28, begin a new paragraph and insert:
- 6 "SECTION 1. IC 6-1.1-10-44 IS ADDED TO THE INDIANA
- 7 CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
- 8 UPON PASSAGE]: **Sec. 44. Tangible property is exempt from**
- 9 **property taxation if it is owned by an Indiana nonprofit**
- 10 **corporation that is:**
- 11 **(1) organized and operated for the primary purpose of:**
- 12 **(A) encouraging the economic development,**
- 13 **redevelopment, and improvement of downtown areas in**
- 14 **one (1) or more Indiana cities and towns in all geographic**
- 15 **regions of the state;**

- 1 **(B) sponsoring demonstration efforts in one (1) or more**
- 2 **Indiana cities and towns; or**
- 3 **(C) providing technical assistance and sponsoring**
- 4 **seminars and other educational programs on downtown**
- 5 **area revitalization, development, and redevelopment; and**
- 6 **(2) recognized in a resolution adopted by the Indiana main**
- 7 **street council (IC 4-4-16-2) as an organization that is**
- 8 **engaged in furthering the purposes of the Indiana main**
- 9 **street program specified in IC 4-4-16-1.**

10 SECTION 2. IC 6-3-1-3.5, AS AMENDED BY P.L.1-2004,
 11 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JANUARY 1, 2004 (RETROACTIVE)]: Sec. 3.5. When used in this
 13 article, the term "adjusted gross income" shall mean the following:

14 (a) In the case of all individuals, "adjusted gross income" (as defined
 15 in Section 62 of the Internal Revenue Code), modified as follows:

16 (1) Subtract income that is exempt from taxation under this article
 17 by the Constitution and statutes of the United States.

18 (2) Add an amount equal to any deduction or deductions allowed
 19 or allowable pursuant to Section 62 of the Internal Revenue Code
 20 for taxes based on or measured by income and levied at the state
 21 level by any state of the United States.

22 (3) Subtract one thousand dollars (\$1,000), or in the case of a
 23 joint return filed by a husband and wife, subtract for each spouse
 24 one thousand dollars (\$1,000).

25 (4) Subtract one thousand dollars (\$1,000) for:

26 (A) each of the exemptions provided by Section 151(c) of the
 27 Internal Revenue Code;

28 (B) each additional amount allowable under Section 63(f) of the
 29 Internal Revenue Code; and

30 (C) the spouse of the taxpayer if a separate return is made by
 31 the taxpayer and if the spouse, for the calendar year in which
 32 the taxable year of the taxpayer begins, has no gross income
 33 and is not the dependent of another taxpayer.

34 (5) Subtract:

35 (A) one thousand five hundred dollars (\$1,500) for each of the
 36 exemptions allowed under Section 151(c)(1)(B) of the Internal
 37 Revenue Code for taxable years beginning after December 31,

- 1 1996; and
- 2 (B) five hundred dollars (\$500) for each additional amount
- 3 allowable under Section 63(f)(1) of the Internal Revenue Code
- 4 if the adjusted gross income of the taxpayer, or the taxpayer
- 5 and the taxpayer's spouse in the case of a joint return, is less
- 6 than forty thousand dollars (\$40,000).
- 7 This amount is in addition to the amount subtracted under
- 8 subdivision (4).
- 9 (6) Subtract an amount equal to the lesser of:
- 10 (A) that part of the individual's adjusted gross income (as
- 11 defined in Section 62 of the Internal Revenue Code) for that
- 12 taxable year that is subject to a tax that is imposed by a political
- 13 subdivision of another state and that is imposed on or measured
- 14 by income; or
- 15 (B) two thousand dollars (\$2,000).
- 16 (7) Add an amount equal to the total capital gain portion of a lump
- 17 sum distribution (as defined in Section 402(e)(4)(D) of the
- 18 Internal Revenue Code) if the lump sum distribution is received by
- 19 the individual during the taxable year and if the capital gain portion
- 20 of the distribution is taxed in the manner provided in Section 402
- 21 of the Internal Revenue Code.
- 22 (8) Subtract any amounts included in federal adjusted gross
- 23 income under Section 111 of the Internal Revenue Code as a
- 24 recovery of items previously deducted as an itemized deduction
- 25 from adjusted gross income.
- 26 (9) Subtract any amounts included in federal adjusted gross
- 27 income under the Internal Revenue Code which amounts were
- 28 received by the individual as supplemental railroad retirement
- 29 annuities under 45 U.S.C. 231 and which are not deductible under
- 30 subdivision (1).
- 31 (10) Add an amount equal to the deduction allowed under Section
- 32 221 of the Internal Revenue Code for married couples filing joint
- 33 returns if the taxable year began before January 1, 1987.
- 34 (11) Add an amount equal to the interest excluded from federal
- 35 gross income by the individual for the taxable year under Section
- 36 128 of the Internal Revenue Code if the taxable year began before
- 37 January 1, 1985.

(12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

(17) Subtract an amount equal to the lesser of:

(A) for a taxable year:

(i) including any part of 2004, the amount determined under subsection (f); and

(ii) beginning after December 31, 2004, two thousand five hundred dollars (\$2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(18) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus

depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section ~~168(k)(2)(C)(iii)~~ **168(k)** of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(20) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in an aggregate amount exceeding twenty-five thousand dollars (\$25,000).

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.

(3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under

1 Section ~~168(k)(2)(C)(iii)~~ **168(k)** of the Internal Revenue Code to
 2 apply bonus depreciation to the property in the year that it was
 3 placed in service.

4 **(6) Add or subtract the amount necessary to make the**
 5 **adjusted gross income of any taxpayer that placed Section**
 6 **179 property (as defined in Section 179 of the Internal**
 7 **Revenue Code) in service in the current taxable year or in an**
 8 **earlier taxable year equal to the amount of adjusted gross**
 9 **income that would have been computed had an election for**
 10 **federal income tax purposes not been made for the year in**
 11 **which the property was placed in service to take deductions**
 12 **under Section 179 of the Internal Revenue Code in an**
 13 **aggregate amount exceeding twenty-five thousand dollars**
 14 **(\$25,000).**

15 (c) In the case of life insurance companies (as defined in Section
 16 816(a) of the Internal Revenue Code) that are organized under Indiana
 17 law, the same as "life insurance company taxable income" (as defined
 18 in Section 801 of the Internal Revenue Code), adjusted as follows:

19 (1) Subtract income that is exempt from taxation under this article
 20 by the Constitution and statutes of the United States.

21 (2) Add an amount equal to any deduction allowed or allowable
 22 under Section 170 of the Internal Revenue Code.

23 (3) Add an amount equal to a deduction allowed or allowable
 24 under Section 805 or Section 831(c) of the Internal Revenue Code
 25 for taxes based on or measured by income and levied at the state
 26 level by any state.

27 (4) Subtract an amount equal to the amount included in the
 28 company's taxable income under Section 78 of the Internal
 29 Revenue Code.

30 (5) Add or subtract the amount necessary to make the adjusted
 31 gross income of any taxpayer that owns property for which bonus
 32 depreciation was allowed in the current taxable year or in an earlier
 33 taxable year equal to the amount of adjusted gross income that
 34 would have been computed had an election not been made under
 35 Section ~~168(k)(2)(C)(iii)~~ **168(k)** of the Internal Revenue Code to
 36 apply bonus depreciation to the property in the year that it was

placed in service.

(6) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in an aggregate amount exceeding twenty-five thousand dollars (\$25,000).

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section ~~168(k)(2)(C)(iii)~~ **168(k)** of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add or subtract the amount necessary to make the

1 **adjusted gross income of any taxpayer that placed Section**
 2 **179 property (as defined in Section 179 of the Internal**
 3 **Revenue Code) in service in the current taxable year or in an**
 4 **earlier taxable year equal to the amount of adjusted gross**
 5 **income that would have been computed had an election for**
 6 **federal income tax purposes not been made for the year in**
 7 **which the property was placed in service to take deductions**
 8 **under Section 179 of the Internal Revenue Code in an**
 9 **aggregate amount exceeding twenty-five thousand dollars**
 10 **(\$25,000).**

11 (e) In the case of trusts and estates, "taxable income" (as defined for
 12 trusts and estates in Section 641(b) of the Internal Revenue Code)
 13 adjusted as follows:

14 (1) Subtract income that is exempt from taxation under this article
 15 by the Constitution and statutes of the United States.

16 (2) Subtract an amount equal to the amount of a September 11
 17 terrorist attack settlement payment included in the federal adjusted
 18 gross income of the estate of a victim of the September 11
 19 terrorist attack or a trust to the extent the trust benefits a victim
 20 of the September 11 terrorist attack.

21 (3) Add or subtract the amount necessary to make the adjusted
 22 gross income of any taxpayer that owns property for which bonus
 23 depreciation was allowed in the current taxable year or in an earlier
 24 taxable year equal to the amount of adjusted gross income that
 25 would have been computed had an election not been made under
 26 Section ~~168(k)(2)(C)(iii)~~ **168(k)** of the Internal Revenue Code to
 27 apply bonus depreciation to the property in the year that it was
 28 placed in service.

29 **(4) Add or subtract the amount necessary to make the**
 30 **adjusted gross income of any taxpayer that placed Section**
 31 **179 property (as defined in Section 179 of the Internal**
 32 **Revenue Code) in service in the current taxable year or in an**
 33 **earlier taxable year equal to the amount of adjusted gross**
 34 **income that would have been computed had an election for**
 35 **federal income tax purposes not been made for the year in**
 36 **which the property was placed in service to take deductions**

under Section 179 of the Internal Revenue Code in an aggregate amount exceeding twenty-five thousand dollars (\$25,000).

(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.

STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003, assessment date and the January 15, 2004, assessment date.

STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.

STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars (\$2,500).

STEP FIVE: Determine the sum of the STEP THREE amount and two thousand five hundred dollars (\$2,500).

SECTION 3. IC 6-3-1-11, AS AMENDED BY P.L.105-2003, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 11. (a) The term "Internal Revenue Code" means the Internal Revenue Code of 1986 of the United States as amended and in effect on January 1, ~~2003~~ **2004**.

(b) Whenever the Internal Revenue Code is mentioned in this article, the particular provisions that are referred to, together with all the other provisions of the Internal Revenue Code in effect on January 1, ~~2003~~ **2004**, that pertain to the provisions specifically mentioned, shall be regarded as incorporated in this article by reference and have the same force and effect as though fully set forth in this article. To the extent the provisions apply to this article, regulations adopted under Section 7805(a) of the Internal Revenue Code and in effect on January 1, ~~2003~~ **2004**, shall be regarded as rules adopted by the department under this article, unless the department adopts specific rules that supersede the regulation.

(c) An amendment to the Internal Revenue Code made by an act passed by Congress before January 1, ~~2003~~, **2004**, that is effective for any taxable year that began before January 1, ~~2003~~, **2004**, and that affects:

- (1) individual adjusted gross income (as defined in Section 62 of the Internal Revenue Code);
- (2) corporate taxable income (as defined in Section 63 of the Internal Revenue Code);
- (3) trust and estate taxable income (as defined in Section 641(b) of the Internal Revenue Code);
- (4) life insurance company taxable income (as defined in Section 801(b) of the Internal Revenue Code);
- (5) mutual insurance company taxable income (as defined in Section 821(b) of the Internal Revenue Code); or
- (6) taxable income (as defined in Section 832 of the Internal Revenue Code);

is also effective for that same taxable year for purposes of determining adjusted gross income under section 3.5 of this chapter.

SECTION 4. IC 6-3-1-33, AS ADDED BY P.L.105-2003, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 33. As used in this article, "bonus depreciation" means an amount equal to that part of any depreciation allowance allowed in computing the taxpayer's federal adjusted gross income or federal taxable income that is attributable to the additional first-year special depreciation allowance (bonus depreciation) for qualified property allowed under Section 168(k) of the Internal Revenue Code, **including the special depreciation allowance for 50-percent bonus depreciation property.**

SECTION 5. IC 6-5.5-1-2, AS AMENDED BY P.L.105-2003, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 2. (a) Except as provided in subsections (b) through (d), "adjusted gross income" means taxable income as defined in Section 63 of the Internal Revenue Code, adjusted as follows:

- (1) Add the following amounts:
 - (A) An amount equal to a deduction allowed or allowable under Section 166, Section 585, or Section 593 of the Internal

- 1 Revenue Code.
- 2 (B) An amount equal to a deduction allowed or allowable under
- 3 Section 170 of the Internal Revenue Code.
- 4 (C) An amount equal to a deduction or deductions allowed or
- 5 allowable under Section 63 of the Internal Revenue Code for
- 6 taxes based on or measured by income and levied at the state
- 7 level by a state of the United States or levied at the local level
- 8 by any subdivision of a state of the United States.
- 9 (D) The amount of interest excluded under Section 103 of the
- 10 Internal Revenue Code or under any other federal law, minus
- 11 the associated expenses disallowed in the computation of
- 12 taxable income under Section 265 of the Internal Revenue
- 13 Code.
- 14 (E) An amount equal to the deduction allowed under Section
- 15 172 or 1212 of the Internal Revenue Code for net operating
- 16 losses or net capital losses.
- 17 (F) For a taxpayer that is not a large bank (as defined in
- 18 Section 585(c)(2) of the Internal Revenue Code), an amount
- 19 equal to the recovery of a debt, or part of a debt, that becomes
- 20 worthless to the extent a deduction was allowed from gross
- 21 income in a prior taxable year under Section 166(a) of the
- 22 Internal Revenue Code.
- 23 (G) Add the amount necessary to make the adjusted gross
- 24 income of any taxpayer that owns property for which bonus
- 25 depreciation was allowed in the current taxable year or in an
- 26 earlier taxable year equal to the amount of adjusted gross
- 27 income that would have been computed had an election not
- 28 been made under Section ~~168(k)(2)(C)(iii)~~ **168(k)** of the
- 29 Internal Revenue Code to apply bonus depreciation to the
- 30 property in the year that it was placed in service.
- 31 **(H) Add the amount necessary to make the adjusted gross**
- 32 **income of any taxpayer that placed Section 179 property**
- 33 **(as defined in Section 179 of the Internal Revenue Code)**
- 34 **in service in the current taxable year or in an earlier**
- 35 **taxable year equal to the amount of adjusted gross income**
- 36 **that would have been computed had an election for federal**
- 37 **income tax purposes not been made for the year in which**

1 **the property was placed in service to take deductions**
 2 **under Section 179 of the Internal Revenue Code in an**
 3 **aggregate amount exceeding twenty-five thousand dollars**
 4 **(\$25,000).**

5 (2) Subtract the following amounts:

6 (A) Income that the United States Constitution or any statute
 7 of the United States prohibits from being used to measure the
 8 tax imposed by this chapter.

9 (B) Income that is derived from sources outside the United
 10 States, as defined by the Internal Revenue Code.

11 (C) An amount equal to a debt or part of a debt that becomes
 12 worthless, as permitted under Section 166(a) of the Internal
 13 Revenue Code.

14 (D) An amount equal to any bad debt reserves that are included
 15 in federal income because of accounting method changes
 16 required by Section 585(c)(3)(A) or Section 593 of the Internal
 17 Revenue Code.

18 (E) ~~Subtract~~ The amount necessary to make the adjusted gross
 19 income of any taxpayer that owns property for which bonus
 20 depreciation was allowed in the current taxable year or in an
 21 earlier taxable year equal to the amount of adjusted gross
 22 income that would have been computed had an election not
 23 been made under Section ~~168(k)(2)(C)(iii)~~ **168(k)** of the
 24 Internal Revenue Code to apply bonus depreciation.

25 **(F) The amount necessary to make the adjusted gross**
 26 **income of any taxpayer that placed Section 179 property**
 27 **(as defined in Section 179 of the Internal Revenue Code)**
 28 **in service in the current taxable year or in an earlier**
 29 **taxable year equal to the amount of adjusted gross income**
 30 **that would have been computed had an election for federal**
 31 **income tax purposes not been made for the year in which**
 32 **the property was placed in service to take deductions**
 33 **under Section 179 of the Internal Revenue Code in an**
 34 **aggregate amount exceeding twenty-five thousand dollars**
 35 **(\$25,000).**

36 (b) In the case of a credit union, "adjusted gross income" for a

1 taxable year means the total transfers to undivided earnings minus
 2 dividends for that taxable year after statutory reserves are set aside
 3 under IC 28-7-1-24.

4 (c) In the case of an investment company, "adjusted gross income"
 5 means the company's federal taxable income multiplied by the quotient
 6 of:

7 (1) the aggregate of the gross payments collected by the company
 8 during the taxable year from old and new business upon
 9 investment contracts issued by the company and held by residents
 10 of Indiana; divided by

11 (2) the total amount of gross payments collected during the
 12 taxable year by the company from the business upon investment
 13 contracts issued by the company and held by persons residing
 14 within Indiana and elsewhere.

15 (d) As used in subsection (c), "investment company" means a
 16 person, copartnership, association, limited liability company, or
 17 corporation, whether domestic or foreign, that:

18 (1) is registered under the Investment Company Act of 1940 (15
 19 U.S.C. 80a-1 et seq.); and

20 (2) solicits or receives a payment to be made to itself and issues
 21 in exchange for the payment:

22 (A) a so-called bond;

23 (B) a share;

24 (C) a coupon;

25 (D) a certificate of membership;

26 (E) an agreement;

27 (F) a pretended agreement; or

28 (G) other evidences of obligation;

29 entitling the holder to anything of value at some future date, if the
 30 gross payments received by the company during the taxable year
 31 on outstanding investment contracts, plus interest and dividends
 32 earned on those contracts (by prorating the interest and dividends
 33 earned on investment contracts by the same proportion that
 34 certificate reserves (as defined by the Investment Company Act
 35 of 1940) is to the company's total assets) is at least fifty percent
 36 (50%) of the company's gross payments upon investment
 37 contracts plus gross income from all other sources except

dividends from subsidiaries for the taxable year. The term "investment contract" means an instrument listed in clauses (A) through (G).

SECTION 6. IC 6-5.5-1-20, AS ADDED BY P.L.105-2003, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 20. As used in this article, "bonus depreciation" means an amount equal to that part of any depreciation allowance allowed in computing the taxpayer's federal taxable income that is attributable to the additional first-year special depreciation allowance (bonus depreciation) for qualified property allowed under Section 168(k) of the Internal Revenue Code, **including the special depreciation allowance for 50-percent bonus depreciation property.**

SECTION 7. IC 36-10-11-33, AS AMENDED BY P.L.178-2002, SECTION 137, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 33. (a) The fiscal body of the lessee shall adopt an ordinance creating a board of five (5) members to be known as the "Civic Center Board of Managers". The board of managers shall supervise, manage, operate, and maintain a building and its programs.

(b) A person appointed to the board of managers must be at least twenty-one (21) years of age and a resident of the lessee governmental entity for at least five (5) years. If the lessee is a city, three (3) of the managers shall be appointed by the city executive, and two (2) of the managers shall be appointed by the city legislative body. If the lessee is not a city, all five (5) managers shall be appointed by the fiscal body of the lessee. An officer or employee of a political subdivision may not serve as a manager. The managers serve for terms of three (3) years.

(c) Notwithstanding subsection (b), if the lessee is a city, initial terms of the managers appointed by the executive are as follows:

- (1) One (1) manager for a term of one (1) year.
- (2) One (1) manager for a term of two (2) years.
- (3) One (1) manager for a term of three (3) years.

The initial term of one (1) of the managers appointed by the legislative body is two (2) years, and the other is three (3) years.

(d) Notwithstanding subsection (b), if the lessee is not a city, initial terms of the managers are as follows:

- (1) One (1) manager for a term of one (1) year.

1 (2) Two (2) managers for terms of two (2) years.

2 (3) Two (2) managers for terms of three (3) years.

3 (e) A manager may be removed for cause by the appointing
4 authority. Vacancies shall be filled by the appointing authority, and any
5 person appointed to fill a vacancy serves for the remainder of the
6 vacated term. The managers may ~~not~~ receive salaries ~~but~~ **and a per**
7 **diem and** shall be reimbursed for any expenses necessarily incurred in
8 the performance of their duties.

9 (f) The board of managers shall annually elect officers to serve
10 during the calendar year. The board of managers may adopt resolutions
11 and bylaws governing its operations and procedure and may hold
12 meetings as often as necessary to transact business and to perform its
13 duties. A majority of the managers constitutes a quorum.

14 SECTION 8. [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]
15 **IC 6-3-1-3.5, IC 6-3-1-11, and IC 6-5.5-1-2, all as amended by this**
16 **act, apply only to taxable years beginning after December 31,**
17 **2003.**

18 SECTION 9. [EFFECTIVE UPON PASSAGE] (a) **A religious**
19 **institution may file an application under IC 6-1.1-11 before May**
20 **11, 2004, for exemption of one (1) or more parcels of real property**
21 **for property taxes first due and payable in 2001 and 2002 if:**

22 (1) **the religious institution did not file an application under**
23 **IC 6-1.1-11 for exemption of the real property with respect**
24 **to property taxes first due and payable in 2001 or 2002;**

25 (2) **the religious institution acquired the real property in**
26 **1999; and**

27 (3) **the real property was exempt from property taxes for**
28 **property taxes first due and payable in 2000.**

29 (b) **If a religious institution files an exemption application**
30 **under subsection (a):**

31 (1) **the exemption application is subject to review and action**
32 **by:**

33 (A) **the county property tax assessment board of appeals;**
34 **and**

35 (B) **the department of local government finance; and**

36 (2) **the exemption determination made under subdivision (1)**

1 is subject to appeal;
 2 in the same manner that would have applied if an application for
 3 exemption had been timely filed in 2000 and 2001.

4 (c) If an exemption application filed under subsection (a) is
 5 approved, the religious institution may file a claim under
 6 IC 6-1.1-26-1 with the county auditor for a refund for any
 7 payment of property taxes first due and payable in 2001 and for
 8 any payment of property taxes first due and payable in 2002,
 9 including any paid interest and penalties, with respect to the
 10 exempt property.

11 (d) Upon receiving a claim for a refund filed under subsection
 12 (c), the county auditor shall determine whether the claim is
 13 correct. If the county auditor determines that the claim is correct,
 14 the auditor shall, without an appropriation being required, issue
 15 a warrant to the claimant payable from the county general fund
 16 for the amount of the refund due the claimant. No interest is
 17 payable on the refund.

18 (e) This SECTION expires January 1, 2005.

19 SECTION 10. [EFFECTIVE JANUARY 1, 2001 (RETROACTIVE)]

20 (a) This SECTION applies notwithstanding the following:

21 IC 6-1.1-3-7.5
 22 IC 6-1.1-10-10
 23 IC 6-1.1-10-13
 24 IC 6-1.1-10-31.1
 25 IC 6-1.1-11
 26 IC 6-1.1-12.1-5.4
 27 50 IAC 4.2-11
 28 50 IAC 4.2-12-1
 29 50 IAC 10-3
 30 50 IAC 16.

31 (b) As used in this SECTION, "taxpayer" means a taxpayer in
 32 a county containing a consolidated city that filed:

33 (1) an original personal property tax return under IC 6-1.1-3
 34 for the March 1, 2001, assessment date using a consolidated
 35 return, Form 103-C; and

1 (2) before March 1, 2003, a Form 133 petition for correction
2 of an error with respect to the assessed value of the
3 taxpayer's personal property on the March 1, 2001,
4 assessment date.

5 (c) Before January 1, 2005, a taxpayer may file an amended
6 personal property tax return for the March 1, 2001, assessment
7 date.

8 (d) A taxpayer that files an amended personal property tax
9 return under subsection (c) is entitled to the following exemptions
10 for the March 1, 2001, assessment date:

11 (1) An exemption for an industrial waste control facility
12 under IC 6-1.1-10-9.

13 (2) An exemption for an air pollution control system under
14 IC 6-1.1-10-12.

15 (3) An exemption for tangible personal property under
16 IC 6-1.1-10-29, as in effect on March 1, 2001.

17 (4) An exemption for tangible personal property under
18 IC 6-1.1-10-29.3.

19 (5) An exemption for tangible personal property under
20 IC 6-1.1-10-30.

21 (e) The amount of an exemption described in subsection (d)(1)
22 or (d)(2) is based on the total cost of the industrial waste control
23 facility or air pollution control system reported by the taxpayer on
24 a Form 103-P that must be filed with the amended personal
25 property tax return filed under subsection (c).

26 (f) The total amount of the exemptions described in subsection
27 (d)(3) through (d)(5) is:

28 (1) the total cost of the taxpayer's finished goods reported on
29 Schedule B, line 3 of the taxpayer's amended personal
30 property tax return filed under subsection (c); multiplied by

31 (2) the ratio reported by the taxpayer on the Form 103-W
32 filed with the taxpayer's amended personal property tax
33 return.

34 (g) Before January 1, 2005, a taxpayer may file with the county
35 auditor an application for a deduction from assessed valuation for

1 new manufacturing equipment in an economic revitalization area
 2 for the March 1, 2001, assessment date. The taxpayer shall include
 3 all necessary attachments to the deduction application.

4 (h) If a taxpayer files an amended personal property tax return
 5 under subsection (c) and a deduction application described in
 6 subsection (g), the taxpayer is entitled to a credit in the amount
 7 of the taxes paid by the taxpayer on the remainder of:

8 (1) the assessed value reported on the taxpayer's original
 9 personal property tax return for the March 1, 2001,
 10 assessment date; minus

11 (2) the assessed value reported on the taxpayer's amended
 12 personal property tax return for the March 1, 2001,
 13 assessment date filed under subsection (c); minus

14 (3) the amount of the deduction from assessed valuation
 15 claimed by the taxpayer on an application filed under
 16 subsection (g).

17 (i) The county auditor shall reduce the amount of the credit to
 18 which a taxpayer is entitled under subsection (h) by the amount
 19 of any property tax refunds paid:

20 (1) to the taxpayer for personal property taxes based on the
 21 March 1, 2001, assessment date; and

22 (2) before the date the taxpayer files an amended personal
 23 property tax return under subsection (c).

24 (j) Notwithstanding IC 6-1.1-26, the county auditor shall apply
 25 a credit allowed under this SECTION against the taxpayer's
 26 property tax liability for property taxes first due and payable in
 27 2004 and in each year thereafter until the credit is exhausted.
 28 However, the county auditor may refund the remaining credit
 29 amount at any time before the credit is exhausted.

30 (k) A taxpayer is not required to file a separate application for
 31 the credit allowed under subsection (h).

32 (l) This SECTION expires January 1, 2007.

33 SECTION 11. [EFFECTIVE UPON PASSAGE] (a) A religious
 34 institution may file an application under IC 6-1.1-11 before
 35 August 1, 2004, for exemption of one (1) or more parcels of real

property for property taxes first due and payable in 2001, 2002, 2003, and 2004 if:

(1) the religious institution did not file an application under IC 6-1.1-11 for exemption of the real property with respect to property taxes first due and payable in 2001, 2002, 2003, or 2004;

(2) the religious institution acquired the real property in 2000 from another religious institution;

(3) the real property was exempt from property taxes for property taxes first due and payable in 2000; and

(4) the religious institution:

(A) acquired the real property under a contract with a religious institution;

(B) has occupied the real property for each of the years described in subdivision (1); and

(C) has used the real property for its religious purposes in each of the years described in subdivision (1).

(b) If a religious institution files an exemption application under subsection (a):

(1) the exemption application is subject to review and action by:

(A) the county property tax assessment board of appeals; and

(B) the department of local government finance; and

(2) the exemption determination made under subdivision (1) is subject to appeal;

in the same manner that would have applied if an application for exemption had been timely filed in 2000, 2001, 2002, and 2003.

(c) The religious institution may file a claim under IC 6-1.1-26-1 with the county auditor for a refund for any payment of property taxes first due and payable in 2001, 2002, 2003, and 2004, including any paid interest and penalties, with respect to the exempt property if:

(1) an exemption application filed under subsection (a) is approved; and

1 (2) the religious institution has paid any property taxes in
2 2001, 2002, 2003, and 2004 attributable to the exempt
3 property.

4 (d) Upon receiving a claim for a refund filed under subsection
5 (c), the county auditor shall determine whether the claim is
6 correct. If the county auditor determines that the claim is correct,
7 the auditor shall, without an appropriation being required, issue
8 a warrant to the claimant payable from the county general fund
9 for the amount of the refund due the claimant. No interest is
10 payable on the refund.

11 (e) If:

12 (1) the religious institution incurred property tax liabilities
13 in 2001, 2002, 2003, and 2004 because of the failure to
14 properly apply for a property tax exemption for the religious
15 institution's real property described in subsection (a); and

16 (2) an exemption application filed under subsection (a) is
17 approved;

18 the county treasurer of the county in which the real property is
19 located shall forgive the property taxes, penalties, and interest
20 charged to the religious institution for the exempt property in
21 2001, 2002, 2003, and 2004.

22 (f) This SECTION expires January 1, 2005.

23 SECTION 12. [EFFECTIVE UPON PASSAGE] (a) This SECTION
24 applies only to a nonprofit corporation that would be exempt from
25 property taxation under IC 6-1.1-10-44, as added by this act, if
26 IC 6-1.1-10-44, as added by this act, had been in effect for an
27 assessment date in 2001, 2002, or 2003.

28 (b) The definitions in IC 6-1.1-1 apply throughout this
29 SECTION.

30 (c) A nonprofit corporation may file an application under
31 IC 6-1.1-11 before May 11, 2004, for exemption of tangible
32 property for property taxes first due and payable in any
33 combination of 2002, 2003, or 2004 if the nonprofit corporation is
34 described in subsection (a).

35 (d) If a nonprofit corporation files an exemption application

- 1 **under subsection (c):**
- 2 **(1) the exemption application is subject to review and action**
- 3 **by:**
- 4 **(A) the county property tax assessment board of appeals;**
- 5 **and**
- 6 **(B) the department of local government finance; and**
- 7 **(2) the exemption determination made under subdivision (1)**
- 8 **is subject to appeal;**
- 9 **in the same manner that would have applied if an application for**
- 10 **exemption had been timely filed in 2001, 2002, or 2003.**
- 11 **(e) If an exemption application filed under subsection (c) is**
- 12 **approved:**
- 13 **(1) the exemption applies to the years covered by the**
- 14 **application to the same extent as if the application had been**
- 15 **filed in a timely manner; and**
- 16 **(2) if the nonprofit corporation paid any property taxes for a**
- 17 **year covered by the exemption, the nonprofit corporation**
- 18 **may file a claim under IC 6-1.1-26-1 with the county auditor**
- 19 **for a refund of the payment, including any paid interest and**
- 20 **penalties, with respect to the exempt property.**
- 21 **(f) Upon receiving a claim for a refund filed under subsection**
- 22 **(e), the county auditor shall determine whether the claim is**
- 23 **correct. If the county auditor determines that the claim is correct,**
- 24 **the auditor shall, without an appropriation being required, issue**
- 25 **a warrant to the claimant payable from the county general fund**
- 26 **for the amount of the refund due the claimant. No interest is**
- 27 **payable on the refund.**
- 28 **(g) This SECTION expires January 1, 2005."**
- 29 Renumber all SECTIONS consecutively.
- (Reference is to SB 344 as printed January 23, 2004.)

and when so amended that said bill do pass.

